

UNITED STATES MARINE CORPS
Financial Management School
Marine Corps Combat Service Support Schools
PSC Box 20041
Camp Lejeune, North Carolina 28542-5050

FMOC 0701
MAY 2000

STUDENT OUTLINE

CERTIFY FISCAL VOUCHERS

LEARNING OBJECTIVES:

A. TERMINAL LEARNING OBJECTIVES:

(1) Given financial reports, returns, disbursing vouchers, cancelled U.S. Treasury checks, schedule of cancelled checks, and references, certify reports, returns, and vouchers as being accurate and complete in accordance with DODFMR, Vol. 5. (3404.04.07)

(2) Given a report of lost or stolen checks, daily advice of status report, SF 1184, and the reference, manage recertified check account to ensure recertified checks are issued in accordance with DODFMR, Vol. 5. (3404.04.05)

B. ENABLING LEARNING OBJECTIVES:

(1) Given a simulated situation pertaining to public funds, a blank collection voucher, subsidiary records, calculator and with the aid of references certify the collection voucher for the situation in accordance with the DODFMR, Vol. 5. (3403.04.07a)

(2) Given a simulated situation pertaining to lost/unavailable checks, a statement of missing/lost checks (DD Form 2660), a (SF 1184) Unavailable Check Cancellation, a DAS Report (Daily Advice Status) and with the aid of references certify the SF 1080 and SF 1034 used to issue a recertified check in accordance with the DODFMR, Vol. 5. (3404.04.07b)

(3) Given two simulated deposit tickets, four simulated checks and cash funds for deposit, subsidiary

records, calculator, and with the aid of the references certify the deposit tickets by annotating the errors with the corrective action necessary for the situation in accordance with the DODFMR, Vol. 5. (3404.07.07c)

(4) Given a simulated situation pertaining to certification of a public voucher, a calculator, and with the aid of references certify the required elements of the public voucher for the situation in accordance with the DODFMR Vol. 10. (3404.04.07d)

(5) Given a simulated situation pertaining to discount computation for prompt payment of a public voucher, a calculator, and with the aid of references certify the discount computation for the situation, in accordance with the DODFMR Vol. 10. (3404.04.07e)

(6) Given a simulated situation pertaining to interest computation for late payment of a public voucher, a calculator, and with the aid of references certify the interest computation for the situation, in accordance with the DODFMR Vol. 10. (3404.04.07f)

1. TYPES OF PUBLIC FUNDS:

a. Deposit Funds: Deposit funds are amounts appropriated by the Congress and held in a general deposit fund by the U.S. Treasury subject to disbursement by disbursing officers of the United States.

(1) All check payments made by Marine Corps disbursing officers are made under these deposited funds held by the Treasury.

(2) Disbursing Officer's may make a check payable to themselves, to obtain cash from these deposited funds by the use of an **Exchange-for-Cash (Disbursement) check**.

b. Cash Funds: Cash funds when approved by the Commanding Officer may be held at personal risk, for making necessary or desirable cash payment of payrolls and vouchers.

(1) Cash funds are only to be used when required for official disbursements, that can't otherwise be paid by check.

(2) Disbursing Officers not requiring cash or a lesser amount of cash for official disbursements will not maintain a

cash balance above what is required and will deposit all excess immediately.

2. TYPES OF COLLECTIONS: (Chapter 10, para. 100101, DODFMR, Vol 5)

a. General Information: There are three types of collections: receipts, reimbursements, and refunds.

(1)

Receipts: Receipts are collections creditable to Treasury miscellaneous receipt accounts. Receipts are collected into the Disbursing Officer's accountability by use of a DD 1131 Cash Collection Voucher.

(2) **Reimbursements**: Appropriation reimbursements are amounts earned and collected for property sold or services furnished to the public or to another government agency. These collections are collected into the Disbursing Officer's accountability by use of a DD 1131 Cash Collection Voucher.

(3) **Refunds**: Refunds are a recoupment (collection) of payments made in error. These collections are collected into the Disbursing Officer's accountability by use of a DD 1131 Cash Collection Voucher.

3. COLLECTION TRANSACTIONS:

(Chapter 10, para. 100105, DODFMR, Vol 5)

a. General Information: A collection can be either a vouchered or unvouchered transaction that increases the DO's accountability. Each collection received by a DO shall be scheduled on the appropriate collection voucher form, verified, and recorded in the accounting records.

b. Voucher Supported Collection: A voucher-supported collection effects a credit to a receipt or deposit fund account or to an appropriation, and involves either:

(1) Direct receipts such as cash, checks, drafts, and money orders:

(2) Deductions on payment vouchers to cover indebtedness due the U.S. Government;

(3) Other deductions on payment of vouchers such as deductions for purchase of savings bonds and Federal taxes;

(4) Or a transfer between appropriations or funds, or corrections of charges against and credits to them, using a SF 1080 (Voucher for Transfer Between Appropriations and/or Funds). In some instances, such as collections from dining facilities, only one collection voucher number is assigned for the entire accounting period (month) and the formal collection voucher is prepared as of the last business day of the month.

c. Unvouchered Collection: An unvouchered collection occurs when the DO receives cash (or negotiable instruments) from an individual or organization that is not credited to an appropriation or fund and, therefore, not supported by a formal collection voucher. Examples of unvouchered collections include collections for: dishonored checks cashed; losses of funds; some check issue overdraft discrepancies; and, agent returns.

d. Vouchering: To expedite the flow of funds to the government, collections (checks, money orders, etc.) shall be separated from accompanying accounting documents at the initial stage of processing and deposited as prescribed in paragraph 050201 of the DODFMR, Vol. 5

4. PREPARATION AND DISTRIBUTION OF DD FORM 1131: (Chapter 10, para. 100406, DODFMR, Vol 5)

a. The blocks of the DD Form 1131 shall be completed as follows:

(1) Disbursing Office Collection Voucher Number:
The applicable functional area shall enter the voucher number in this block.

(a) Collection voucher numbers shall be assigned consecutively starting at the beginning of each fiscal year.

(b) Voucher numbers assigned to collection vouchers shall be identified with the disbursing office and not the disbursing officer.

(c) The servicing DFAS Center or OPLOC (operating location) to whom financial reports are submitted will provide the DO with instructions for numbering vouchers.

(2) Receiving Office Collection Voucher Number: Use of this block is optional. If the receiving official control collections by locally assigned number, the receiving official shall enter the number in this block.

(3) Receiving Office:

(a) Activity. When collections are made by other than the disbursing office cashier, the receiving official shall enter the name and location of such activity. Leave blank when collections are made by the disbursing office cashier.

(b) Received and Forwarded By. Enter the printed name, title, and signature of the designated receiving official. If a debtor turns in the remittance to the DO or cashier personally and the Receiving Office block is completed for reference, no signature is required. Normally, this block is left blank when collections are made by the disbursing office cashier.

(4) Date. Enter date of the last collection shown on the DD Form 1131 or the date the DD Form 1131 is prepared by the collection official.

(5) Disbursing Office. Enter the name and location of the disbursing activity and the printed name, title, and signature of DO, in the applicable blocks. Signature is not required when the DD Form 1131 is validated by a cash control machine.

(6) Disbursing Station Symbol Number. Enter the 4-digit DSSN.

(7) Date Received Subject to Collection. This is the primary voucher date assigned by the functional area. It is the DO or agent accountability date.

(8) Period: From - To. Enter the specific period encompassing collections reported on the form. For example: the date of the first collection on the voucher is the "From" date; the date of the last collection on the voucher is the "To" date. If all collections are made on a single date or no specifically designated period is applicable, leave the "From - To" blocks blank. Dates may be entered by the receiving official or disbursing office, as applicable.

(9) Date Received. Enter the date cash (or negotiable instruments) is received from a remitter, or other date of incident. For example: date money found on base.

(10) Name of Remitter/Description of Remittance. Enter the name of the individual remitter or company. Except for collections from over-the-counter sales (i.e., commissaries) and locally billed items (telephone service, housing, etc.), show each remitter's name and SSN if collection is received from military member or civilian employee. If a name is not applicable, enter a description of the remittance. For example: money found on base.

(11) Detailed Description of Purpose for Which Collections Were Received. Enter the purpose for collection. If information entered in the name of remitter and description of remittance block satisfactorily describes the purpose of the collection, leave blank.

(12) Amount. Enter the individual amounts collected from each remitter or each incident by accounting classification. When the DD 1131 is used as a cover voucher, enter overall totals by accounting classification.

(13) Accounting Classification. Enter the complete accounting classification for the amount of each collection.

b. Distribution. The original DD 1131 shall be forwarded to the servicing DFAS Center. Provide a duplicate to the remitter and retain a copy for the disbursing office. Extra copies shall be prepared as required.

c. Signature on Collection Vouchers. DOs, deputies, or agent officers shall sign the original collection vouchers. Signing shall not be delegated or reassigned. Officers using cash control machines or mechanized equipment to validate vouchers are exempted from the signatory requirements (except when DD 1131 is being processed for further action by a disbursing office not co-located with the processing disbursing office) provided the machines, and control thereof, meet minimum security and audit requirements.

SUMMARY:

Up to this point we have covered:

Types of public funds

Types of collections.

Collection transactions.

Preparation and distribution of the DD Form 1131.

PRACTICAL APPLICATION:

5. U. S TREASURY CHECKS:

a. General Information: Regular issue paper checks are the only instruments for which Marine Corps disbursing officers are authorized to draw on the account of the United States Treasury.

b. Data elements for proper check preparation:

1. Name of payee or firm
2. Date of check.
3. Amount of check in figures and words.
4. DOV number, Payroll number, or Exchange for cash Disbursement or remittance (**explanation of check issuance/ "object for which drawn"**)
5. Void after one year (**if not preprinted on checks**)

6. Signature of the disbursing officer (if signed manually Disbursing Officer or Disbursing Officer By:)

6. VOIDED CHECKS:

- a. A check will be classified as voided when it is:
- (1) misprinted or mutilated during the issue process.
 - (2) it is to be replaced with another regular check bearing a different serial number.
 - (3) it has not been reported as a check issue.
 - (4) if it has been reported to the NIS and the U.S. Secret Service as a lost blank check.
- b. Once a check has been reported as a check issue it must not be voided, these checks must be treated as canceled.
- c. A check that is voided must be included on the record of checks drawn as a check issue and have a dollar value of zero.
- d. All void checks will be rendered non-negotiable by typing or stamping the words **"VOID-NOT NEGOTIABLE. NO CHECK ISSUED UNDER THIS NUMBER"** on the face of the check.
- e. Void checks will be destroyed **once each quarter, by burning or shredding.**

(7) CANCELLED CHECKS:

- a. Checks will be canceled when the amount is not due the payee or the payee's estate or the check is undeliverable for 60 days after the month of issue.
- b. Disbursing officers may cancel checks drawn under their own official checking account, under the account of a predecessor at the same activity and DSSN, or under an account they are settling. In these situations it makes no difference whether:
- (1) the disbursing account is current or closed.

(2) the proceeds of the check are for repayment of an open or lapsed appropriation.

c. Canceled check transactions will be processed in a manner similar to that for collections. Use a Schedule of Cancelled/Undeliverable Checks (Standard Form 1098) as the collection document. Assign a collection voucher number and **print this number and the date of the collection on the reverse of the canceled check.** They will be credited to the proper appropriation, fund, or account by use of the SF 1098 showing the correct appropriation data.

d. The checks will be deposited for credit to the DSSN used by the disbursing officer making the cancellation.

e. Disbursing officers will ensure that there has not been any stop payment action taken on the check being canceled.

f. If the check is being canceled for pay and allowances, a credit cancel check entry to the members MMPA must be made.

g. Canceled checks will be stamped on the face with the Statement, **"NOT NEGOTIABLE - FOR PAYMENT AND CREDIT IN THE U.S. TREASURY. D.O. SYMBOL _____"**

h. Canceled checks will be deposited on separate deposit tickets from all other collections and will be deposited with a Federal Reserve Bank or Branch.

i. Checks more than 12 months old can't be canceled and deposited under this procedure.

8. UNDELIVERABLE CHECKS:

a. Every effort will be taken by the disbursing officer to deliver all checks, and if a diligent effort has been made, there should be very few, if any, undelivered checks.

b. If delivery is not affected within 60 days after the **month of issue**, undeliverable checks will be disposed of as follows:

(1) Will be credited to the appropriation originally charged using a Schedule of Cancelled/Undeliverable Checks (SF 1098).

(2) Deposited on a Deposit Ticket (SF 215)

9. EXCHANGE-FOR-CASH-DISBURSEMENT CHECK:

a. Disbursing officers may inscribe exchange-for-cash checks to themselves, for purposes of obtaining operating or accommodation cash.

b. The check will be endorsed to the bank or other institution furnishing the cash, or when cashed by another disbursing officer, to such officer by title and activity, rather than by name as **"Pay to the order of the disbursing officer (name of ship or station)"**.

c. All exchange-for-cash disbursement checks, must be supported by a Memorandum, (OF Form 1017-G, **Journal Voucher**).

10. EXCHANGE-FOR-CASH-REMITTANCE CHECK:

a. Exchange-for-cash-remittance checks are drawn for funds found in the personal effects of persons who are dead or missing or whose whereabouts are unknown (including absentees and deserters).

b. The check shall be made payable to the payee designated by the officer (Commanding Officer) having custody of the personal effects.

c. The object for which drawn shall be **"Exchange-for-Cash-Remittance; personal effects of (name, rank, SSN of member)"**.

11. UNAVAILABLE CHECK CANCELLATION (SF 1184):

a. The Standard Form 1184 is the prescribed form for all unavailable check cancellations.

b. Unavailable Treasury checks that are reported to the disbursing officer as lost, stolen, mutilated, or not received by the payee shall be canceled.

c. The payee must report the loss, theft, mutilation or non-receipt of the original treasury check within 1 year from the date of issue of the check or the claim is barred under the statute of limitations for claims against the government.

d. Checks which are unavailable to the payee or Disbursing officer, and for which entitlement to the payment exists, may be replaced by a new check called a **Recertified Payment Check**, providing the original check is not more than 12 months old.

e. A recertified check bears a new check serial number and is vouchered and recorded as a new disbursement.

f. Original and recertified payment checks shall be controlled, cross-referenced, and tracked indefinitely or until both have been paid, recovered and destroyed or canceled.

g. The DD Form 2662, Recertified Check Register is the form maintained to identify the original check serial number, date, amount, payee, and status of the check as provided by the Treasury, including information regarding the recertified payment check, payee claims and collection information. **(DD 2662 IS IN SHO PG 9)**

h. The disbursing officer must obtain a statement, in writing, from the payee (DD Form 2660) prior to issuing a recertified check. **(DD 2660 IS IN SHO PG 6)**

i. The authority to issue recertified checks rest solely with the disbursing officer, he may issue recertified checks at any time commencing with the submission of the SF 1184. The circumstances associated with each unavailable check and the DO's judgment shall govern when the recertified check is actually issued.

j. The standard form 1184 is an electronic form that is submitted through 3270 to Denver (**US TREASURY**) and will be completed as follows:

(1) CK SYM: **REQUIRED FIELD** Enter the 4-digit DSSN of the disbursing office that issued the original check.

(2) CK SERIAL: **REQUIRED FIELD** Enter the 8-digit check number of the original check that is being canceled and on

which "STOP PAYMENT" action is being requested of the U.S. Treasury.

(3) CK AMOUNT: **REQUIRED FIELD** Enter the full amount of the original check. This field is limited to 10 digits. Do not use dollar signs. Use of commas is optional. Always show the decimal point separating dollars and cents.

(4) CK DATE: **REQUIRED FIELD** Enter the date of the original check. This is a numeric field containing eight digits: month (two digits), day (two digits), and year (four digits).

(5) SSAN/ID NO.: **REQUIRED FIELD** The data in this field consists of nine digits entered in numeric form: position (1-4) DSSN of the preparing disbursing office, position (5-7) Julian date of preparation, position (8-9) the unit position of the calendar year of preparation.

(6) STOP CODE: **REQUIRED FIELD** Enter the alpha character code from the table of stop codes in the DODFMR VOL. 5, Table 8-1, that describes the nature of the action required on the original check. The only codes authorized for use are, "A", "D", "E", "F", "G", "K", "L", "M", "P", and "R".

(7) PAYEE NAME: **REQUIRED FIELD** Enter the payee's name as it appeared on the original check.

(8) ADDRESS: **REQUIRED FIELD** Data entered in this field shall be the current address of the payee because the Treasury uses this address to prepare claims document address labels. When stop code "F" is used the disbursing office address will be used.

(9) AMOUNT TO BE RECLAIMED: **REQUIRED ON ALL SF 1184'S** Enter the amount to be recovered from either the banking system or the U.S. Treasury. Usually, this will be the full amount of the original check.

(10) AGENCY LOCATION CODE: **REQUIRED FIELD** Enter DSSN and then the voucher number of the original voucher.

12. DAILY ADVICE OF STATUS:

a. The Treasury Department will return a Daily Advice of Status on every SF 1184 received.

b. Status Codes used by the Treasury Department on the DAS are listed in table 8-4 of the DODMFR Vol. 5.

c. If a cancellation credit is denied, a Daily Advice of Status will be issued with one of the status codes listed in table 8-4. The DO will advise the payee of the check status. If the check has been negotiated and the payee wishes to continue the claim process, the payee must initiate the FMS Form 1133 (Claim Against the United States for the Proceeds of a Government Check) and the FMS Form 3858 (Claims Document), upon receipt of status from the Treasury Department.

d. If an unavailable check is outstanding (not negotiated), the Treasury Department will issue a DAS status indicating that the check is outstanding and that the agency will be credited with the proceeds (**Status Code 32**). **All credits for canceled unavailable checks and charges resulting from negotiation of a previously canceled unavailable check are provided by the Treasury Department through budget clearing account Unavailable Check Cancellations and Overpayments (Suspense), **F3880.** The **F3880 account is restricted to unavailable check transactions and shall not be used for any other purpose. The **F3880 account is available to hold credit or chargeback amounts only until the appropriation or fund that was charged when the original check was issued can be identified. All amounts in the **F3880 account must be transferred to the proper appropriation of fund as expeditiously as possible. This is done using a SF 1080 (Transfers between appropriations and/or funds). This form will have a PV#, transferring the money from the **F3880 account to the original appropriation account.

13. RECERTIFIED PAYMENTS:

a. If the DAS code is a 32 (not negotiated), the Treasury will automatically credit the suspense account 3880 with the amount of the check. If a recertified check is to be issued, the SF 1034 (Public Voucher) will be used to make the payment under a new PV# and the original appropriation, from which the initial check was cut.

b. The new check will have a new check number, and voucher number.

14. RECERTIFIED CHECK REGISTER (DD FORM 2662):

a. Original and recertified payment checks shall be controlled, cross-referenced, and tracked indefinitely or until both have been paid, recovered and destroyed or canceled. The DD Form 2662 is maintained for this purpose.

b. The DD Form 2662 shall contain information to identify the original check serial number, date, amount, payee, and status of the check as provided by the Treasury Department, as well as identifying information regarding the recertified payment check, payee claims, and collection information.

15. CASH FUNDS HELD AT PERSONAL RISK:

Disbursing officer, deputy, disbursing agent, and cashier will request authority to hold cash at personal risk from the appropriate approving authority. These cash funds include:

- a. United States currency and coin on hand
- b. Foreign currency and coin on hand
- c. Imprest funds and change funds
- d. Cash on deposit in a designated depository

Disbursing Officers outside the United States are authorized to maintain official checking accounts with banks designated by the Secretary of the Treasury.

16. DISBURSING OFFICER'S SOURCE OF FUNDS:

a. Generally, the Disbursing Officer's initial source of funds, will be obtained by transfer from the disbursing officer being relieved.

b. The disbursing officers primary source of funds is by use of an exchange-for-cash-disbursement check, made out to themselves.

c. The obtaining of cash funds by transfer from another Disbursing Officer without the issuance of an exchange-for-cash-check is authorized only upon the relief of a Disbursing Officer and only from the Disbursing Officer being relieved.

17. REQUIREMENTS FOR TRANSPORTING CASH FUNDS:

a. The Commanding Officer and the security police (MP's) will be notified whenever the Disbursing Officer or any person leaves the disbursing activity with official cash funds in excess of \$10,000.00, or for the purpose of picking up official cash funds in excess of \$10,000.00.

b. Cash shall be secured **at all times**. Safeguarding of funds is a **command** responsibility, the decision of whether or not to have an armed escort, how many, or the type of transportation to be used is all part of the command's responsibility.

18. TYPES OF NEGOTIABLE INSTRUMENTS:

All funds received/collected by the Disbursing Officer or his agents, which are not required for current disbursing operations, and including all checks and other negotiable instruments, will be deposited with a general depository. These negotiable instruments are:

- a. Cash
- b. Checks
- c. Drafts
- d. Money Orders, Traveler's Checks etc.

19. FREQUENCY AND TIMELINESS OF DEPOSITS:

a. Deposits will be made on a **daily** basis if the volume of receipts is **\$5,000.00 or more**.

b. If daily receipts are less than **\$5,000.00**, they may be held until the total of all receipts equals **\$5,000.00**.

c. Deposits shall be made by Thursday of each week, regardless of the amount accumulated.

d. Deposits should be limited to one per day. However, cash and checks will not be combined on one Standard Form 215 when depositing with a Federal Reserve Bank or Branch. A separate Standard Form 215 will be prepared for each. A cash deposit and a check deposit on the same day constitute one deposit per day.

e. Deposits made over the counter at commercial banks must always show the bank's business day at the time of deposit in block (2) of the Deposit Ticket (SF 215).

e. All DOs in the U.S. shall deposit Treasury checks in the sum of \$5,000 or more with the nearest FRB of branch.

20. PLACES TO DEPOSIT NEGOTIABLE INSTRUMENTS:

a. All negotiable instruments, (except those payable only on foreign banks) payable in U.S. dollars will be deposited to the account of the U.S. Treasury with:

(1) Federal Reserve Bank

(2) Federal Reserve Bank Branch

(3) Approved U.S. Government General Depository

b. All DOs in the U.S. shall deposit Treasury checks in the sum of \$5,000 or more with the nearest FRB of branch.

c. All checks drawn on foreign banks and payable only at foreign banks will be deposited with:

*Citibank, Global Check Clearing Collections, P.O. Box 5300,
New Hyde Park, NY 11042-1119*

21. ENDORSEMENT FOR DEPOSIT:

a. Checks deposited at General Depository: All checks, drafts and money orders in payment of an obligation due the United States, will be endorsed on the back within 1 1/2 inches of the trailing edge as follows:

**U.S. Marine Corps DSSN
For credit to the U.S. Treasury
Date**

(1) The blank at "DSSN" should contain the activity disbursing station symbol number.

(2) The blank at "Date" should contain the date of deposit and must correspond with the bank's business day.

(3) If the 1 1/2 inch space has been used, the endorsement may be placed in the upper right hand corner, no more than 3 inches from the leading edge of the check.

(4) All deposits must be accompanied by a Deposit ticket (SF 215), and an adding machine tape or other listing, showing each individual check and total amount of the deposit.

b. Checks deposited to Federal Reserve Bank or Branch:
U.S. Treasury check deposits in excess of \$5000.00 and all cancelled Treasury checks must be deposited with a Federal Reserve Bank or Branch. They will be endorsed on the back within 1 1/2 inches of the trailing edge as follows:

DSSN
For credit to the U.S. Treasury
Date

(1) The blank at "DSSN" should contain the Cash Link Identification Number, which includes four zeroes, the DSSN, a hyphen, and a check digit. (pg. 91)

(2) Checks deposited with an FRB or branch shall be accompanied by an adding machine tape or a copy of the Standard Form 1098 (Schedule of Canceled Checks), showing the amount of each check and the total of the deposit. **When depositing cancelled checks, the CV# and CV date is also included in the endorsement.**

(3) All deposits must be accompanied by a Deposit Ticket (SF 215).

22. RECORD OF NEGOTIABLE INSTRUMENTS DEPOSITED:

a. Disbursing Officers shall keep a complete descriptive record of all negotiable instruments mailed or presented to depositaries. This record may be photocopy or microfilm records of both sides of the instruments if the source of the instruments is shown.

b. When photocopying or microfilming facilities are not available, the record shall be a typed or written list containing the:

- (1) Source of the instrument.
- (2) Name of the financial institution on which drawn.
- (3) Type of instrument.

(4) Serial number.

(5) payee; maker; date drawn; and amount.

c. If an item (check) is lost in the banking channels, the D.O. may be held pecuniarily liable if the maker of the checks cannot be identified in order to contract that person for a replacement. That is the purpose of maintaining the above information.

23. RECEIPTS OF CASH TO BE DEPOSITED:

All receipts of cash in excess of the amount authorized to be held at personal risk must be deposited to the Treasurer's account. The four types of cash collections we covered in a previous class is **RECEIPTS, REIMBURSEMENTS, REFUNDS and UNVOUCHERED** collections.

24. DEPOSIT TICKET (STANDARD FORM 215) PREPARATION:

a. All deposits will be made using a Deposit Ticket (SF 215).

b. Deposit tickets are 5 part, prenumbered forms.

c. The deposit ticket will be typed with a ANSI-OCR -A 10 pitch type. If unavailable, PICA 10 pitch should be used, An undesirable, but acceptable type font is ELITE 12 pitch. Specialty types such as adjutant, courier, script etc. are not acceptable.

d. The Standard Form 215, Deposit Ticket will be prepared as follows:

(1) Deposit Number: Each form contains a 6 digit deposit ticket number. Although prenumbered it is not necessary to account for voided or spoiled forms, nor is it necessary to utilize the forms in strict sequence.

(2) Date Presented or Mailed to Bank: Type the date that the document is mailed or presented to the depository. The date will consist of 2 digit single spaced groups in month, day, and year order, separated by hyphens and zero filled for single dates.

(3) Eight Digit Agency Accounting Station Code or Four Digit Disbursing Office Symbol: Type the nine digit CIN for deposits to an FRB or branch, or the four digit DSSN for

deposits to general depositories. Entries shall be left justified and single spaced.

(4) Amount: Type the total amount of the deposit, including cents. Normal punctuation of commas and decimal points shall be used, however, dollar and cent signs shall be omitted.

(5) Date Confirmed by Bank: **Leave blank**. To be completed after confirmed copy is received from the depository.

(6) Agency Use: This block may be used to enter descriptive data regarding the deposit such as: Prepared by ; Verified by or Deposited by _____; with the applicable initials of the person who performed these tasks.

(7) Name and Address of Depository: Type the name and address of the depository to which the SF 215 is mailed or presented.

(8) Depository Certification: **Leave blank**. The depository will complete this block.

(9) Depositor's Title, Department or Agency and Address: Type the complete mailing address of the disbursing activity in this block. For the purposes of this period of instruction the address utilized will be: *Disbursing Officer, 7th FSSG, FMF, Camp Lejeune, NC. 28542-5050*

25. DISTRIBUTION OF THE DEPOSIT TICKET (SF 215):

a. The original, depository, and confirmed copies of the SF 215 are submitted to the depository along with the funds being deposited.

b. The confirmed copy will be returned after the deposit is made and will **always** be submitted with the original financial returns, however **if** the confirmed copy **has not** been received from the depository, the memorandum copy will be submitted to the DFAS as part of the original financial returns.

c. The agency copy is retained by the Disbursing Officer for his retain records, after inserting the confirmed date.

26. DEBIT VOUCHER (STANDARD FORM 5515):

a. A debit voucher is, in reality, a deposit reversal. When a check is returned unpaid, the depository will issue a debit voucher to charge the disbursing symbol for the amount of the unpaid check.

b. The Disbursing Officer shall **immediately** record all debit vouchers in the DD Form 2657 (Daily Statement of Accountability).

SUMMARY:

During this period of instruction we have covered:

U. S. Treasury Checks

Voided and canceled checks

Unavailable check cancellation

Daily advice of status

Recertified payments

Cash funds.

Deposits

PRACTICAL APPLICATION:

27. NATURE OF A PUBLIC VOUCHER:

a. A public voucher constitutes the authority for U.S. Government agencies to pay for purchases of equipment, materials, supplies, and services other than personal.

b. When correctly prepared, properly signed, and supported by all necessary substantiating documents, a public voucher constitutes authority for a disbursing officer to make partial, complete, final, progress, or advance payments as required.

c. A public voucher is the data source for accounting information used to record changes in the status of

appropriations and funds under the responsibility of the U.S. government.

d. When finally accomplished, the public voucher represents legal evidence that an obligation of the Government has been liquidated and must be retained for that purpose.

28. REQUIREMENTS OF A PUBLIC VOUCHER:

A public voucher is correctly prepared when:

a. The payment discharges a legal liability of the United States Government;

b. The written evidence assembled in support of the payment is complete and adequate;

c. The voucher is charged to an appropriation or fund available for and properly applicable to its payment;

d. The control over disposition of the public voucher (original and copies) and the maintenance of permanent records is such that there exists no possibility for duplicate payment and/or overpayment by the Government;

e. The accounting data is accurate and complete so that proper abstraction and adjustment of appropriations and/or funds may be accomplished.

29. BACKGROUND OF PUBLIC VOUCHERS SUBJECT TO THE PROMPT PAYMENT ACT:

a. The Prompt Payment Act came about because of the efforts by businessmen who were having chronic problems in obtaining timely payment for materials and services provided to Federal departments and agencies.

b. These delays in payments occurred despite numerous administrative regulations, which required expeditious processing and payment of invoices.

c. The requirement for an agency to make interest payments whenever that agency fails to make payment promptly was viewed by Congress as the most effective means of ensuring compliance with the regulations.

d. It was emphasized during the Congressional hearings on the Prompt Payment Act that businesses preferred timely

payment without interest rather than a late payment with interest.

e. The interest payment provisions of the Act are viewed as a penalty for failure to accomplish the important mission requirements of making payment on time.

f. Congress anticipated that interest payments would be minimal, and no additional funding has been or would be provided for the purpose of paying interest.

g. The Act requires that reasons for late payment must be identified and reported, so that management officials can determine the frequency of these payments and take corrective action as warranted.

h. With implementation of the Prompt Payment Act, the expected results were not only in timely payments, but also in better relationships with suppliers, improved competition for government business and reduced cost for goods and services.

30. INVOICE PROCESSING:

a. Timely acceptance:

(1) Although, the majority of commands, offices, field activities, and units, of operating forces have occasion to requisition goods and services, the actual payment for these goods and services will be made by a paying office designated in each contract.

(2) In most cases, the vendor's invoices for these goods and services will initially be submitted to the entity for which submitted the requisition for their acceptance and approval. Once approved, the proper invoice becomes the authority for the preparation of the Public Voucher. In some cases, the public voucher will be prepared by the unit who submitted the requisition. In other cases by the designated paying office.

(3) There are two different types of acceptance.

(a) Actual Acceptance is a formal certification that occurs after necessary testing and inspection. This date is indicated on the DD Form 250 or the DD Form 1155.

(b) Constructive Acceptance is considered to take place not later than 7 calendar days after delivery of goods

or services. In the event that actual acceptance takes place within the constructive acceptance period, the due date will be based on the actual acceptance date.

(4) Payment of a properly approved invoice will be made as close as possible to, but not later than, the due date specified in the contract. In general, contracts with no specific due dates will be paid as close as possible to, but not later than, 30 calendar days following the later of the following three events:

(a) The date the goods or services were accepted,

(b) The date the goods or services were received, execution of a valid, signed, contractual document),

(c) The date the dealer's bill/invoice was received at the designated paying officer or site.

EXAMPLE: Invoice Rec'd: 8/1 **Latest date is 8/3 which**
Mat'l/Svc Rec'd: 8/1 **used to figure the Net Due**
Mat'l/Svc Accept: 8/3 **Date.**

b. Proper Invoice:

(1) The dealer or other claimant is required to demand payment by submitting an itemized bill, often called an invoice, for property or services rendered.

(2) To be proper, an invoice must contain the following information:

(a) Name and address of the business concerned and the invoice date;

(b) Contract number, or other authorization for delivery of property or services;

(c) Description, price and quantity of property and services actually delivered or rendered;

(d) Shipping and payment terms;

(e) Other substantiation documentation or information as required by contract; and

(f) Name, where practicable, title, phone number, and complete mailing address of responsible official to whom payment is to be sent.

Note: To prevent duplicate payments, it is required that the original dealer's bill be available for attachment to the original public voucher.

(3) It is not necessary for an invoice to be totally free of defects in order to be proper and to create a valid demand upon the Government. Although individual circumstances vary, the general requirement is that the activity approving or making payment must be able to determine that:

(a) The goods or services being billed were in fact properly ordered under a specific contractual document and received from the business concern designated in the order;

(b) That payment is being requested by the same business concern; and

(c) That either the invoice or the order provide for a proper address for forwarding of the payment.

(4) If the defect is a minor one that could be remedied easily, appropriate corrective action should be accomplished by any activity in the approval or payment process in lieu of returning the invoice.

(5) If there is doubt as to whether payment to the invoicing business concern would be proper, the invoice is considered materially defective and must be returned to the vendor. **The return of any defective invoice by the initial recipient should be accomplished in accordance with the following schedule:**

(a) In case of meat or meat food products, within 3-calendar days after receipt of the invoice;

(b) In the case of perishable agricultural commodities, within 5-calendar days after receipt of the invoice;

(c) For all other goods and services, within 7-calendar days after receipt of the invoice.

(6) If for any reason the above period has expired prior to detecting the defect in the invoice, the invoice must still be returned. All returns of invoices must be in writing and is considered effective as of the date of mailing. If the returned invoice offers a cost effective discount, request the contractor change the date to effect the discount.

31. PAYMENT CRITERIA FOR PUBLIC VOUCHERS SUBJECT TO THE ACT:

a. Specific Due Dates:

(1) Payment of a properly approved invoice will be made as close as possible to, but not later than, the due date specified in the contract.

(2) All contracts containing financing provisions (advance payments, progress payments, or cost reimbursement provisions) will have payments made in an expeditious manner. The standard due date is 7 days for progress payments and 14 days for interim payments on cost-type contracts.

b. No Specific Due Dates: Payment will be made as close as possible to, but not later than, 30-calendar days following the latter of the following three events:

(1) Receipt of proper invoice by the activity designated in the contract or order as the activity to which the invoice is to be sent;

(2) Acceptance of the goods or services by the activity designated to perform this function; and

(3) Execution of a valid, signed, contractual document.

c. Meat, Meat food products, Poultry and Egg products: Payment will be made as close as possible to, but not later than, 7-calendar days from the date of delivery of the product, or receipt of proper invoice, whichever is later.

d. Perishable agricultural commodities, dairy products, fats, oils or food products: Payment will be made as close as possible to, but not later than, 10-calendar days from the

date of delivery of the product, or receipt of proper invoice, whichever is later.

e. Mixed Invoices: When vendors send one invoice for products that, if invoiced separately, would be subject to differing payment time frames (e.g., 30, 10, 7 days), the D.O. may split the payment and make payment by the due date applicable to each category.

32. PUBLIC VOUCHERS OFFERING DISCOUNTS FOR PROMPT PAYMENT:

a. Determination of Applicability:

(1) In every case when contracts or any other written purchase agreement contain a provision for discount for prompt payment, the discount will be deducted if accepted and earned.

(2) When following the awarding of a contract, a contractor offers a discount by letter, telegram, or by a notation on the dealer's bill rendered, the discount will be taken if earned. All offers of discount appearing on dealers' bills whether printed, typed, written, rubber stamped, etc., regardless of the type of purchase, will be considered as authorizing the deduction of the discount if earned.

(3) If the discount terms of the contract are not in agreement with the discount terms offered on the dealer's bill, the discount most advantageous to the Government will be taken if earned.

b. Determination of Discount Period:

(1) Unless otherwise specifically provided in the purchase agreement, **the discount period begins on the date placed on the proper invoice** by the contractor. If no date has been placed on the invoice by the contractor, the discount period will begin on the date a proper invoice is actually received by the designated billing office. (This applies to contracts executed on or after April 1, 1989.)

(2) When no discount provision is included in the purchase agreement or there is no written purchase agreement and a discount is offered on the dealer's bill, the discount will be taken in strict accordance with the terms of the offer. In such cases, if the offer on the invoice fixes a date for the beginning or end of the discount period, the date

fixed will apply. If no special terms are included in the offer, the general rule stated in (1) above will apply.

(3) The start of the discount period may be delayed by fault of the supplier because of the necessity of returning invoices for correction or delay in the execution and return of contracts. In fixing the latest date on which payment may be made to earn the discount, add the number of days allowed to the date the discount period begins.

(4) If a discount period expires on a Saturday, Sunday or Holiday, the discount is earned if payment is made on the next business day.

(5) If a discount is offered for payment by "tenth proximo," the discount is earned if payment is made by the 10th of the month following the month in which the dealer's bill is dated.

c. Computation of Discount:

(1) Unless otherwise declared in the contract, discounts will be computed on the approved gross amount of the invoice except as indicated below.

(2) **Exceptions to the above rule** are as follows:

(a) When taxes or freight charges are listed separately.

(b) After deductions of taxes, which are not a proper charge.

(c) When withholding of funds is made mandatory under the contracting document, the government is entitled to any discount on the amount withheld earn these amounts are released for payment if previous payments were paid within the discount terms of the contracting document or as later modified.

(d) When trade-ins are involved, compute the discount on the actual cash balance due.

d. Acceptance of Discounts:

(1) Each calendar year the Department of the Treasury will calculate an average of its current value of funds over the preceding year. This rate, expressed in terms of an annual percentage, will be distributed to all disbursing officers.

(2) Invoices offering cost-effective discount terms or invoices offering net terms when the contractual document contains cost-effective discount terms should be paid within the discount period. Discounts that do not meet the cost-effective criterion should be refused and be scheduled for net payment.

e. Special Handling: In most cases, bills with acceptable or mandatory discount terms will be paid in the normal course of business without any need for special handling. However, special handling is required whenever both of the following conditions exist:

(1) processing through normal channels would cause the discount to be lost, and

(2) the discount is required to be taken.

f. Lost Discount: DOs will maintain information on lost discounts for at least the previous 12 month period.

TRANSITION: From public vouchers offering discounts for prompt payment, let's see when interest is payable on these vouchers.

33. INTEREST PAYMENT ON PUBLIC VOUCHERS:

a. General: Whenever payment by the appropriate due date is not accomplished, interest will be paid for the total number of days that the payment is late. Interest begins from the day after the due date through the date the payment is made. A Julian Calendar is commonly used to determine the exact number of days payable.

b. Improperly Taken Discount:

(1) If a discount is taken in error, then interest must be paid on the amount of the discount taken unless full payment is made by the original net due date.

(2) Interest will be calculated from the day following the expiration of the discount period until the date that full payment is made.

c. Computation:

(1) The interest rate will be established by the Secretary of the Treasury and is published semiannually in the Federal Register. It is effective with each 6-month period beginning 1 January and 1 July.

(2) The rate in effect on the day after the due date will be the exclusive rate used to compute the amount of interest.

(3) Interest will be computed from the day following the payment due date through the date of payment.

(4) No further interest will accrue after 1 year beyond the original due day. Interest calculations are to be based on a 360-day year.

d. Entitlement to Interest Payments:

(1) Whenever an interest penalty is due, the paying office will pay interest due automatically without requiring that the business concern request payment of interest. The amount of interest paid will be separately identified as such in the advice of payment furnished to the business concern.

(2) It is not necessary to make interest payments of less than \$1.00, and any paying office which elects not to make such payment should decline a request for such payments whether or not the total interest applicable to multiple bills exceed \$1.00.

e. Accounting for Interest Payments:

(1) All interest payments paid by Navy paying offices are to be charged to the command having cognizance over the activity cited at fault for late payments. HQMC msg 010041Z Dec 92 states that all commands that receive an Operation and Maintenance operating budget will provide, no later than 21 Dec 92, a line of appropriation data to fund interest penalty payments for activities under their cognizance, and provide a copy of the appropriation data established to HQMC.

(2) All interest payments will be charged to the fiscal year current at the time of payment.

(3) In all cases the paying office will identify and assign the activity responsible for the late payment and the reason for the late payment.

(4) Paying offices are required to maintain detailed records in support of their determinations, and are to make these records available upon request of any activity determined to have caused the late payment.

(5) The Office of Management and Budget requires DOD provide an annual report that includes number, dollar value, frequency, and cause of late payments. The DOD requires this same information from its reporting Components on a quarterly basis.

34. ACCOUNTING CLASSIFICATIONS FOR INTEREST PAYMENTS:

FOR INSTRUCTIONAL PURPOSES ONLY: THE FOLLOWING APPROPRIATION WILL BE UTILIZED FOR THIS CLASS WHEN MAKING INTEREST PAYMENTS

ACRN	APPN/SH	OBJ/CL	BCN	S/A	AAA	TT	PAA	COST CODE
AB	17*1106.2702	000	60909	0	060909	2D	060909	
()Q3100000XYZ								

* Designates the last position of the fiscal year. For interest payments, the fiscal year cited will be the current fiscal year, regardless of the fiscal year cited for payment of the goods or services.

() Designates the alpha code that is utilized to identify the reason interest is being paid, from the table of reason codes.

35. REASONS FOR INTEREST PAYMENTS:

In compliance with the Office of Management and Budget Circular A-125 dtd December 12, 1989, reasons for late payments shall be identified and corrective action taken so that the DOD goal of zero interest penalties may be achieved. The six reasons are:

CODE (A): Delay in the disbursing office's receipt of:

1. Receiving report.
2. Proper invoice.
3. Purchase order or contract.

CODE (B): Delay or error by the disbursing office in:

1. Taking discount.
2. Notifying contractor of defective invoice.
3. Computer or other system processing.

36. ACTIVITY RESPONSIBLE FOR PREPARATION OF PUBLIC VOUCHERS:

Statement in Contract or Order:

(1) Generally, contracts will specify the activity to which the vendor will submit his bills and the activity which will make payment. These may be one and the same.

37. PAYMENT AND PAYMENT RESTRICTIONS OF PUBLIC VOUCHERS:

a. Items to be verified: The paying officer is responsible for verifying the legality and propriety of the payment to be made and is required to establish that:

(1) Payment is made only by designated paying office and the payment has not been made previously;

(2) When applicable, purchase was made in accordance with pertinent laws, regulations, and directives;

(3) Materials or services were received and accepted or performance was completed as required, unless absolved of this requirement by other directives; i.e., cases involving interdepartmental billings by General Services Administration;

(4) The unit price or rate, extensions, and totals are correct;

(5) The required supporting documents, certificates, and signatures are present; and

(6) The accounting data is complete and correct.

b. Duplicate Payments:

(1) Every effort must be made to avoid duplicate payments to vendors. All contracting officers are required to insert in every contract and purchase order the name of the office designated to make payment. Payment will be made only by the disbursing officer specifically authorized by the provisions of the contract or purchase order.

(2) If a duplicate payment does occur, the paying office must see that the cause is fully investigated; and appropriate action must be taken to avoid a recurrence of a similar duplication.

c. Method of Payment:

(1) Change 1 to DODFMR VOL 10 states that EFT payment is mandatory except in a very few specific cases, i.e. contracts issued prior to Jul 1995 which are grandfathered

(2) Cash payments may be authorized in some cases. If either partial or full payment is made in cash, the amount and date of payment, and the name of the payee must be shown on the designated line on the original and all copies of the public voucher. At time of actual payment, the signature of the payee will be obtained on the original of the public voucher, unless his/her signature acknowledging the receipt of payment already appears on a sundry voucher supporting the public voucher.

38. PAYMENT DATE:

a. In all cases when payment is made by check, the date appearing on the check will be considered as the date of payment.

(1) Paying offices will date checks as of the business day the checks are prepared.

(2) Mailing or other delivery of the checks will be effected on that same day whenever possible, and, in no event, later than the start of the next business day.

b. In the case of cash payments, payment will be considered made as of the business day the cash is received.

c. In case of electronic funds transfer payments, the date that the electronic funds transfer is made.

39. PREPARATION AND AUDIT PROCEDURES OF THE NAVCOMPT FORM 2277:

Block # Title/Description/Explanation

(1) PURPOSE: Place an "X" in the appropriate box to indicate whether the document is being used as a disbursement or collection voucher. In those instances where the form is being used as a billing document, an "X" will be placed in both blocks.

(2) DATE: The date on which the form is prepared by the originator.

(3) REFERENCE DOCUMENT #: The funds usage (obligation) document number to which the disbursement/collection relates; e.g., the contract number, project order number, etc.

(4) BILL NUMBER: The number assigned by the preparing activity or organization to uniquely identify the form when it is utilized to bill customers for work and/or services performed.

(5) VOUCHER NO: The number assigned by the disbursing officer to uniquely identify that particular voucher. Voucher numbers will be constructed and assigned in accordance with existing policy and procedures.

(6) FROM: The name and address of the voucher preparing activity or, in the case of reimbursable order billings, the name and address of the billing office or activity.

(7) PAID BY: Provides space for the paying officer to affix his/her stamp after payment, including the check number when applicable.

(8) TO: The name and address of the payee, the contractor, as shown on the dealer's bill, or, in the case of reimbursable order billings, the name and address of the office or activity being billed.

(9) ARTICLES, SERVICES OR ITEMS: The information to be entered under the various columns of this block will include a description of the work or services furnished, unless the

information is shown on a summary document, in which case the "Articles or Services" column will contain the words "per attached invoices".

(9A) Invoice or Order No: Standard Document Number, Order, or Invoice number if available should be entered.

(9B) Date of Delivery/Service: Date of shipment if accepted f.o.b. or date received if accepted at destination. For services, show the inclusive dates.

(9C) Description: Enter description, item number of contract or Federal supply schedule, and other necessary information. Generally summarized, if no supporting documents, then the Public Vouchers must be itemized as to the quantity, unit price, and money amount in blocks 9D, E and F.

(9D) Quantity: If not in summary form in Block 9C, or provided by an attachment, invoice or statement, enter the quantity of the items or services being billed.

(9E) Unit Price: Price per unit if required. (See C. above)

(9F) Amount: Total Amount of Voucher. Money amounts entered in this column will always be gross. All deduction amounts will be entered in the appropriate column(s) Block 12 below.

(9G) Discount Terms: **Examples**

3/4% 15 days NET 30 = Deduct 3/4% (.0075) from gross amount if paid within 15 days, or Net amount due in 30 days.

2% TENTH PROXIMO = Deduct 2% of gross amount if paid by tenth day of the following month.

1 1/2% EOM = Deduct 1 1/2% of gross amount if paid by end of the month (last day)

(9H) Total: Total or Gross amount of voucher.

(10) TYPE OF PAYMENT OR BILL: An "X" will be entered in the appropriate box in accordance with the following:

(10A) Complete: This block will be used when the voucher represents a complete payment or billing for all the items

and/or work or services requested in the document cited in Block 3. Thus, such a voucher represents the first and only payment or bill that will be rendered against the document cited in Block 3.

(10B) Partial: This block is to be used when the voucher covers only a portion of the items and/or work or services requested in the document cited in Block 3.

(10C) Final: This block is to be used when the voucher represents the very last payment or bill to be rendered against the document cited in Block 3.

(10D) Progress: This block is to be used when the voucher represents a payment or bill for costs incurred by contractor or by a performing activity, chargeable to the document cited in Block 3, but for which complete delivery of the items or services requested has not yet been made.

(10E) Advance: This block is to be used when the voucher represents a payment made to a contractor or a performing activity prior to their incurring any costs.

(11) ACCOUNTING CLASSIFICATION TO BE CREDITED (COLLECTION): The accounting data, including related ACRNs when applicable, and amount to be credited in connection with the collection of cash. This block will also be used in connection with reimbursable order billings for indicating the accounting data of the billing office to be credited.

(12) DEDUCTIONS: Provides for identifying the type of deductions made by the paying officer, if any.

(13) ACCOUNTING CLASSIFICATION TO BE CHARGED (DISBURSEMENTS):

The accounting data, including related ACRNs, to be charged in connection with funds disbursed regardless of whether by cash, check or no-check transfer. It should be noted that the total net amount to be entered under Block 13L is the difference between Block 9H minus Block 12I.

(14) INSPECTION REPORT NOS: Enter the related inspection report numbers when applicable.

(15) GOV'T B/L NOS: Enter the related Government Bill of Lading numbers, when applicable.

(16) APPROVED: The signature and title of the official AUTHORIZED to approve payment of the voucher as well as the date of such approval. If the ability to certify and authority to approve are combined in one person, that person shall sign in Block 17; otherwise the approving officer will sign in Block 16 over his/her official title.

(17) CERTIFIED: The signature and title of the official authorized to certify the voucher for payment, as well as the date of such certification.

(18) PAYMENT RECEIVED: Provides space for identifying the name of the individual, company or corporation and the name and title of the person signing for such company/corporation when payment is made in cash.

SUMMARY:

During this period of instruction you have learned about:

Public Vouchers

The background of the Prompt Payment Act.

Invoice processing

Public Vouchers offering discounts

Interest payment on Public Vouchers

Accounting classification for interest payments

Reason codes and assignment criteria for interest payments

Payment dates of a Public Voucher

Preparation and audit procedures of a Public Voucher

PRACTICAL APPLICATION: